

1 CHAIRPERSON JAMES: Ms. Price.

2 MS. PRICE: Madam Chair, members of the Commission,
3 members of the panel, I am an elected Regent of the university
4 system of Nevada but I do not represent the Board of Regents
5 here. I am not a member of any group either for or against
6 gambling but I am a member of the Society of Professional
7 Journalists. And in 1992 SPJ passed a resolution at their
8 national meeting addressing the conflict of interest media have
9 with the coverage of sports.

10 I never read a sports page until running for regent
11 but I found that Nevada has a virtual monopoly on sports betting
12 except when a Nevada team is involved. In that case, gaming
13 regulation forbids betting. If UNLV has a winning team in the
14 final four as they did under Jerry Tarkanian (ph) for two
15 seasons in a row, casinos cannot take bet. He was fired.

16 In 1994 most Regents voted to pay another basketball
17 coach \$1.8 million to leave town after an illegal contract with
18 UNLV foundation was revealed. It is not in the casino's best
19 interests to have a winning college team in Nevada. This is a
20 severe conflict of interest which will haunt our colleges until
21 it changes. Our teams are no different than others but our laws
22 are. Where do you draw the line on gambling? My goal is to
23 have Congress apply its law equally when it comes to gambling on
24 college sports.

25 There is one misconception to address today before I
26 continue and that is the notion that if you make wagering on

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1 sports illegal, it will increase organized crime and illegal
2 bookmaking. In an article published in the Journal of Gambling
3 Studies, it was stated, quote, "In reality state run gambling
4 stimulates illegal gambling rather than eliminating it". For
5 reasons why this happens I refer you to the former FBI agent
6 William Romer's book, The Enforcer. Mr. Romer also knows
7 illegal gambling increases with state sanctioned gambling. Why?
8 Because when you're out of cash and credit, you can't gamble in
9 a so-called legal casino. This stimulated illegal gambling.

10 It is clear to me that as gambling expands and
11 people who would not ordinarily gamble illegally will try it
12 locally, then come to Las Vegas, the gaming capital of the world
13 and just watch us grow. Former basketball star and Senator,
14 Bill Bradley of New Jersey stated the following on passage of
15 the Professional and Amateur Sports Protection Act in 1992,
16 quote, "We all recognize the fiscal constraints under which
17 states operate in these tough economic times but we must not
18 forget the consequences of sports betting. Based on what I know
19 about the dangers of sports betting, I am not prepared to risk
20 the values that sports instills in youth just to add a few more
21 dollars to state coffers. State sanctioned sports betting
22 conveys the message that sports is more about money than
23 personal achievement and sportsmanship. In these days of
24 scandal and disillusionment, it is important that our youngsters
25 not receive this message. Sports betting threatens the
26 integrity of, and public confidence in, professional and amateur

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1 sports. Converting sports from wholesome athletic entertainment
2 into a vehicle for gambling, all of this puts undue pressure on
3 players, coaches and officials. Sports would become the
4 gambler's game and not the fan's game," unquote.

5 Nicholas, my 14-year old grandson, has a 990 SAT
6 score and represented Nevada in the Western States Regional
7 Baseball Tournament last summer. I'm doing this for him.

8 Now, for your specific questions; look to the amount
9 of money paid to the state from sports betting in the last 10
10 years using Gaming Control figures. The figure for college
11 sports is very low but increasing and the potential is
12 monumental. There has been an explosion around the world of
13 illegal and legal means to gamble on sports, yet Nevada's
14 control apparatus has little ability or expertise to regulate a
15 situation unique to Nevada. A professor at Whittier College
16 School of Law takes a dim view of Nevada regulatory bodies. He
17 notes that the fight for regulatory control is almost over and
18 the casinos have pretty much won.

19 Every year the casino industry gets a little more of
20 what it wants. He is not the first to assert that Nevada's
21 system of so-called voluntary compliance has grown too close to
22 the industry it regulates. Organizational theory will support
23 that trend. If gambling is simply entertainment, then we don't
24 need a tax supported agency protecting the industry.

25 The media; the First Amendment role of media as
26 watchdog has eroded worse with sports. Media long ago crossed

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1 the line from neutral reporters to boosters. It is as much
2 about what is not covered as what is covered. With billions of
3 dollars in advertising and the increasing concentration of power
4 in a few media companies, marketplace regulation has been
5 replaced with wealthy media moguls playing monopoly with teams
6 and satellites.

7 We're entering the brave new world of satellite and
8 cable facilitated real time gambling on sporting events in
9 progress. The Internet is simply competition for the gambling
10 media cartel. A problem in Nevada is that even though gambling
11 is a state created privilege industry, it is nonetheless allowed
12 to donate to political campaigns. In the movie, "Bugsy", Bugsy
13 Segal opens by saying, "Organized crime will do legally in
14 Nevada what is illegal everywhere else and do it through the
15 government". Television sports programming deserves a great
16 deal of study and discussion independent of the FCC. It seems
17 to me that the concept of public airways needs to be reinforced.

18 Telecommunication law is rapidly evolving. For
19 example, NBA sued Motorola to prevent transmission of scores.
20 The NBA asserted a heretofore unrecognized property right in the
21 news emanating from in-progress sporting events. Another
22 interesting example is the Leitchenstein lottery. The small
23 country of Leitchenstein which internationally markets a
24 national lottery would like the laws of Leitchenstein to apply
25 to a computer or satellite user in Utah where gambling is still

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1 illegal. There are issues of state sovereignty, property
2 rights, loyalty and fair use.

3 NCAA and other organizations involved with sports
4 add to the complexity of the discussion on regulation and
5 through non-profits. The foundations, booster clubs and tax law
6 have been quite an education for me as regent. The
7 proliferation of 501(c)(3) tax exempt non-profit organizations
8 hurt the true non-profit work being done by so many
9 organizations. Many non-profits seek to make government
10 decisions without the accountability of government. It may be
11 useful to contact the IRS looking at our college foundations.

12 According to our newly elected congressman the
13 foundations the university system of this state and I agree.
14 That may be why we have a Ph.D. in hospitality and a bachelor's
15 degree where classes include how to run a race and sports book.
16 A student under the age of 21 would be arrested even in the
17 state of Nevada for doing just that. If your response to all
18 this is, "Well, make it all legal because we can't stop it," let
19 me refer to the Knight Commission study on inter-collegiate
20 athletics several years ago.

21 They issued a report that reflects hope was well as
22 the frustration and I quote, "I think the temptation is for us
23 to throw up our arms and say we can't possibly change this mess.
24 Such a position is pretty feeble in light of what's happened in
25 Eastern Europe. If the Berlin Wall can come crumbling down, I

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1 find it hard to believe that we can't deal with the problems of
2 college athletics," unquote.

3 In a Nevada study of gambling, over 92 percent of
4 the students under 21 years of age had gambled. Over 50 percent
5 gambled in a casino and 22 percent gambled weekly. Much as been
6 written over the past decade or so about state lotteries run by
7 governments, sending a message to young people that gambling
8 must be all right since the government is doing it. In Nevada
9 our youngsters have been receiving that message for much longer.
10 In 1984 a congressman sent a letter to a constituent concerned
11 about under-age gambling at U.S. military installations. Quote,
12 "Slot machines have proven to be very popular with the troops
13 and certainly keeps them off the streets and away from illegal
14 drugs and illegal activity. I believe it is healthy
15 recreational activity which is cost effective and enjoyed by our
16 troop," the congressman wrote.

17 According to a doctor at a local hospital in Las
18 Vegas, the length of time to become addicted dramatically
19 shortens when it comes to video. Imagine the B.F. Skinner
20 result of immediate reward of gambling on every play in a
21 sporting event, in real time, in your living room, using your's
22 or your parent's credit card. The MTV generation and beyond may
23 not find craps or poker exciting but they do find sports
24 exciting. If you think families have problems with 900 porno
25 calls just wait till interactive gambling over cable television
26 comes to the home.

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1 The industry is reacting to the market. Please make
2 no distinction between legal and illegal sports gambling when it
3 comes to gambling's impact on our society. I spoke with Cedrick
4 Dempsey of NCAA. He said schools didn't have a problem with
5 legal gambling, it was illegal gambling that was a problem. I
6 said, that's like saying it's okay to be hit by a defensive
7 missile, it's only the offensive missiles that do harm.

8 Nevada stands at the most high profile loophole
9 through which the entire world could legally gamble on almost
10 anything; elections, little league, children's beauty pageants
11 or worse. There is a concern around the world about organized
12 crime. The United States, leader of the free world, sanctions
13 through Nevada a structure that neither respects the property
14 right of sporting performance, nor draws the line on gambling on
15 any measurable scale. I believe the state and the industry
16 should volunteer to draw the line at college sports.

17 Madam Chairman, I understand very well the politics
18 surrounding this Commission. The task is an ancient
19 philosophical one of finding the good. Please make your
20 overriding concern fair use of our educational institutions and
21 not misuse of their students, supporters and taxpayers.

22 CHAIRPERSON JAMES: Thank you, Ms. Price.

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